



Commonwealth of Kentucky Personnel Cabinet

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Kentucky Public Employees' Deferred Compensation Authority Operates First Non-bank Trustee Deemed IRAs for 401(k) Plan Participants

Frankfort, Ky. - The Kentucky Public Employees' Deferred Compensation (Authority), the Commonwealth's voluntary supplemental retirement program, recently received a notice of approval from the Internal Revenue Service for non-bank trustee status. This approval will enable the Commonwealth to proceed with implementation of deemed Individual Retirement Accounts (IRA) for 401(k) Plan participants.

"Proudly, Kentucky is the first state to receive from the IRS non-bank trustee status for its governmental 401 (k) Plan," said Personnel Cabinet Secretary Brian Crall. "This is a major step forward in offering Commonwealth employees the option of one-stop shopping for their supplemental retirement savings through the Authority's program."

The Deemed IRAs are being targeted for implementation next year by the Authority. When implemented, 401(k) Plan participants will be able to invest in both or either a deemed traditional (tax-deductible) or Roth (after-tax) IRA as well as the Authority's existing 401(k) and 457 Plans. Participants will also be able to rollover existing IRAs into the new Authority IRAs. Participants have the ability to invest in over 25 different low cost, well known and high quality mutual fund options.

"I am very optimistic that many participants will take advantage of the exceptional opportunity to consolidate their supplemental retirement savings vehicles into one simplified, cost-effective and unified investment program," said Robert C. Brown, CRA, CRC, the Authority's Executive Director.

The Authority rolled out a Roth 401(k) option for participants on July 1, 2006. A 403(b) retirement plan is also in the planning stages for calendar year 2008. Once all of these new savings vehicles have been fully introduced, the Authority's current program consolidation efforts will have been completed.

The Authority Plans currently have combined assets of approximately \$1.3 billion, more than 67,000 participants and over 750 participating employers. Earlier this year, *Pension & Investments* identified the Authority program as one of the top 1,000 pension funds (both public and private) in the country. The Authority has also received numerous national awards from the National Association of Government Defined Contribution Administrators for its innovative work in plan design and administration.

For additional information, please contact Robert Brown at 502-573-9186.